

2009 DRAFTING REQUEST**Bill**Received: **09/18/2008**Received By: **btradewe**Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**By/Representing: **Miner**This file may be shown to any legislator: **NO**Drafter: **btradewe**May Contact: **DNR budget office**

Addl. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Miner, BB0023 -

Topic:

Interest on environmental cleanup cost recovery

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/P1	btradewe 10/31/2008	nnatzke 11/03/2008	rschluet 11/03/2008	_____	lparisi 11/03/2008		State
/1	btradewe 11/12/2008	nnatzke 11/13/2008	rschluet 11/13/2008	_____	mbarman 11/13/2008		

FE Sent For:

<END>

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11/38 <END>

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/?	btradewe	PI nwn 10/31 PI 11/3 jld		==			

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Cost Recovery Installment
- Tracking Code: BB0023
- SBO team: Agriculture, Environment and Justice
- SBO analyst: Andrew Miner AM 9/17/08
 - Phone: 266-1103
 - Email: andrew.miner@wisconsin.gov
- Agency acronym: DNR
- Agency number: 370
- Priority (Low, Medium, High): Medium

Intent: Require an interest charge per month on outstanding cost recovery balances on remedial cleanups. Interest will be deposited into the environmental fund as current cost recovery amounts are.

Background: Currently, environmental cleanups conducted by DNR under ch. 292 are reimbursable if there is a known responsible party. Reimbursement settlements are occasionally repaid over a certain time period, but no payment plans have included interest on the unpaid balances.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0281/P1

RCT:.....

nwn+

Jld

In 10/31

DOA:.....Miner, BB0023 - Interest on environmental cleanup cost recovery

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA ✓
x-ref ✓

x

don't gen. ✓

1

AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

ENVIRONMENT ✓

HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP ✓

* Current law authorizes DNR ✓ to take actions to prevent or remedy environmental contamination in specified circumstances. ✓ In some cases the law requires a person, such as a person who caused contamination, to reimburse DNR ✓ for the costs that it incurs in taking these actions. ✓

* This bill provides that if DNR ✓ authorizes reimbursement for the costs of actions taken to prevent or remedy environmental contamination to be paid over time, DNR must require monthly payments of interest ✓ on the outstanding balance of the reimbursement. ✓

For further information see the *state* ✓ fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2

SECTION 1. 292.11 (7) (b) of the statutes is renumbered 292.11 (7) (b) 1. ✓

3

SECTION 2. 292.11 (7) (b) 2. of the statutes is created to read: ✓

1 292.11 (7) (b) 2. If the department authorizes reimbursement under subd. 1.
2 to be paid over time, it shall require monthly payments of interest on the unpaid
3 balance of the reimbursement.

4 **SECTION 3.** 292.31 (8) (e) of the statutes is created to read:

5 292.31 (8) (e) *Interest payment.* If the department authorizes an amount that
6 the state is entitled to recover under this subsection to be paid over time, it shall
7 require monthly payments of interest on the unpaid balance of that amount.

8 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

Date

LRB-0281/P1dn

RCT:.....

nwnt

JLD

Andrew Miner:

This is a preliminary draft of DNR's[✓] proposal for charging interest on environmental cleanup[✓] reimbursements.

Should the draft specify an interest rate or describe how the interest rate should be determined?[✓]

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0281/P1dn
RCT:wnw/jld:rs

November 3, 2008

Andrew Miner:

This is a preliminary draft of DNR's proposal for charging interest on environmental cleanup reimbursements.

Should the draft specify an interest rate or describe how the interest rate should be determined?

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

Tradewell, Becky

From: Miner, Andrew - DOA [Andrew.Miner@Wisconsin.gov]
Sent: Monday, November 10, 2008 2:49 PM
To: Tradewell, Becky
Subject: FW: draft 281 (cost recovery)

Becky,

We would prefer to insert language in this draft that will enable DNR to determine the interest rate – most likely an “as determined by the department” phrase, if you think that will work fine. Let me know if you have questions.

Thanks,
Andrew

From: Tradewell, Becky [mailto:Becky.Tradewell@legis.wisconsin.gov]
Sent: Tuesday, November 04, 2008 11:42 AM
To: Miner, Andrew - DOA
Subject: RE: draft 281 (cost recovery)

Andrew,

I do not see any interest rates that are based on the consumer price index. Some fees and other dollar amounts are adjusted based on changes in the CPI. Many interest rates are set out in the statutes (12 percent on civil judgments for the recovery of money under s. 815.05 (8), for example). Some are based on other statistics, such as corporate bond yield averages (see, s. 646.35 (6) (c)), the federal funds rate (s. 410.506 (2)), or rates on U.S. treasury bills (s. 74.37 (5)). In other cases, the statutes authorize an agency to determine interest rates.

Please let me know if you would like more information.
Becky Tradewell
6-7290

From: Miner, Andrew - DOA [mailto:Andrew.Miner@Wisconsin.gov]
Sent: Monday, November 03, 2008 2:20 PM
To: Tradewell, Becky
Subject: draft 281 (cost recovery)

Hi Becky,

In your note to this draft, you asked if it should establish how the interest rate would be determined. When I had asked DNR this some time ago, they didn't give a definitive answer but said they had talked about basing it on the consumer price index. Do you know if there are similar provisions in the statutes that do this, or establish an interest rate in another way? Thanks,

Andrew

*Andrew Miner
Agriculture, Environment and Justice
Wisconsin State Budget Office
(608) 266-1103*

11/10/2008



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0281/P1

RCT:nwn/jld:rs

stays VMR

In 11/12

DOA:.....Miner, BB0023 - Interest on environmental cleanup cost recovery

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA ✓
x-ref ✓

✓
1 AN ACT ...; relating to: the budget. don't gen. ✓

Analysis by the Legislative Reference Bureau

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SECTION 3. 292.31 (8) (e) of the statutes is created to read:

(END)

at a rate determined by the department,



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0281/1
RCT:nwn/jld:rs

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